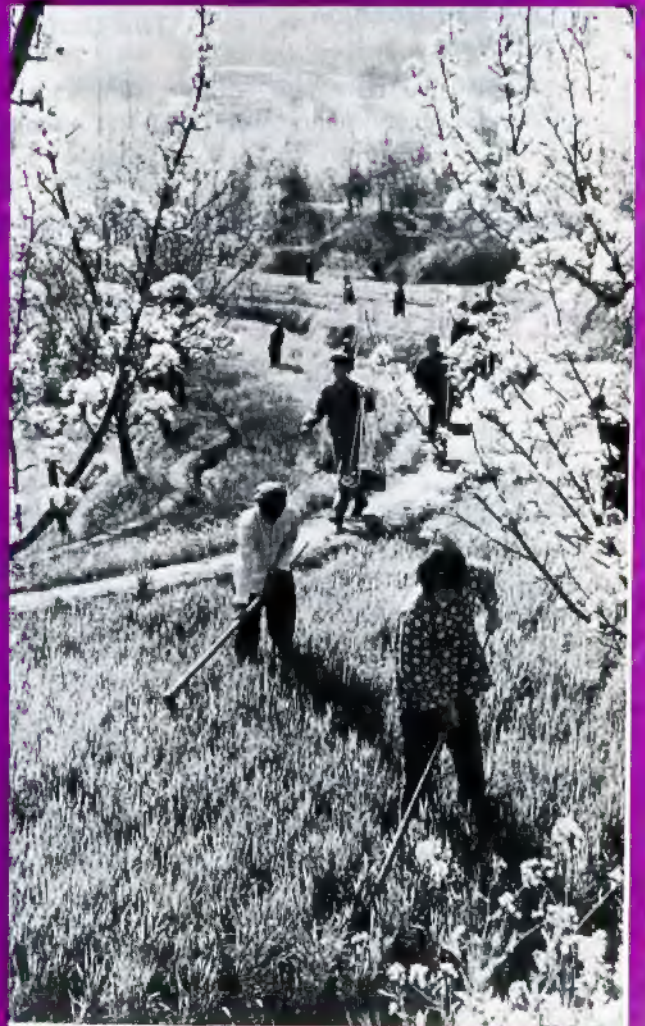
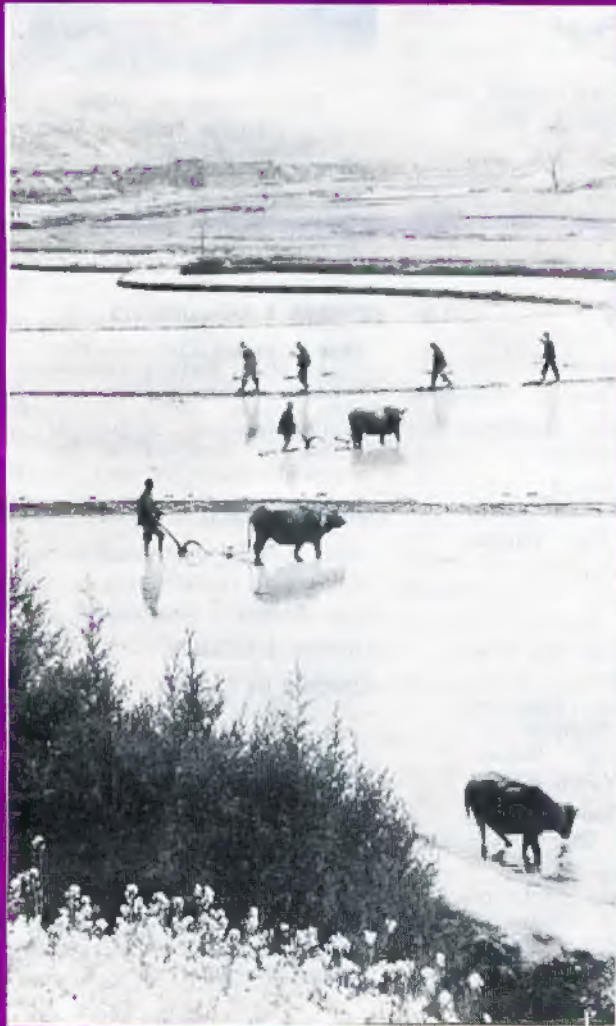


BEIJING REVIEW

北京周报

A CHINESE WEEKLY
OF
NEWS AND VIEWS

- How to Assess Mao Zedong Thought
- Hoang Van Hoan Analyses Vietnamese Situation
- Western Economic Trends in the 80s
- *Why Peasants Are Happier*



HIGHLIGHTS OF THE WEEK

Mao and Mao Zedong Thought

Mao's historic contributions, his mistakes and the significance of his thought for China. Huang Kecheng, Secretary of the Party Central Commission for Inspecting Discipline, elaborates on these important questions (pp. 15-23).

Western Economy in the 80s

Analysis of several new phenomena in Western economic development. First instalment of a speech by Huan Xiang, Vice-President of the Chinese Academy of Social Sciences, at the recent Hangzhou Symposium on World Economy (pp. 24-27).

Hoang Van Hoan on Viet Nam

An exclusive interview with the veteran revolutionary leader

from Viet Nam on his country's present politico-economic situation and Vietnamese-Chinese relations (p. 9).

Parity or Superiority?

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Moscow and African Refugees

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The Cartoon Page

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Winners at Novi Sad

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A System That Works

A new system of responsibility which has captured the imagination of the peasants in China's vast countryside (p. 6).



Rural scenes in spring.
Photos by Zhao Shufang

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China and the Third World

Does China still belong to the third world? Has China changed its policy towards the other third world countries?

China is a developing country and belongs to the third world. Its fundamental interests are identical with those of the other third world countries. China will continue to strengthen its unity with them and support the oppressed nations and peoples in their struggles against imperialism, colonialism and hegemonism and for liberation and social progress.

Chairman Mao put forward the theory of the three worlds in 1974. Though he committed some mistakes in his later years, many of his views are correct, as for instance the differentiation of the three worlds, opposition to hegemonism, and the concept that China belongs to the third world and will never seek hegemony. These are still guiding principles for China's foreign policy. Following the strategic concept of the differentiation of the three worlds, China will not change its policy towards the other third world countries.

Since its founding, New China has stood firmly on the side of the oppressed nations and peoples throughout the world. We hold that China which has won liberation has the duty to give political, moral and economic support to the struggles of the oppressed nations.

Although our economy was far from being developed, we have done our best in rendering help to other third world countries.

The building of the Tanzania-Zambia railway is an example. In addition, we have helped some countries build highways, water-supply projects, textile mills and sports stadiums, and we have passed on our techniques in growing rice, tea and tobacco and sent our medical teams to help the people there.

China's national economy suffered serious damage during the ten chaotic years (1966-76). Readjustments are being made, and numerous difficulties have yet to be overcome. This is why our economic aid to the third world countries has been reduced. We hope that, along with its growth in national strength, China will make more contributions in the future.

During his visit to African countries in 1964, Premier Zhou Enlai put forward eight

principles concerning Chinese aid to foreign countries. The main points are: The purpose of such aid is to help the recipient countries embark step by step on the road of self-reliance and independent economic development; in providing aid to other countries, the Chinese Government strictly respects the sovereignty of the recipient countries and never attaches any conditions; the experts dispatched by China to help in construction in the recipient countries will have the same standard of living as the experts of the recipient countries and are not allowed to make any special demands. Experience has shown that these principles are correct and are welcomed by the governments and people of the countries concerned. These principles will be followed in the future.

—International Editor
Mu Youlin

Detente Offensive

Some people say that China is against relaxation in the international situation and negotiations. Is this true?

China needs a peaceful international environment to develop its economy and realize the four modernizations. It is not against detente or negotiations. What it opposes is the Soviet hegemonists using them as a smokescreen to cover up their arms expansion and aggression against other countries. The maintenance of world peace is inseparable from the struggle against hegemonism, and we feel there should be a sober understanding of this.

History has proved that no

agreement or negotiation can stop the Soviet hegemonists from pursuing their policies of aggression and expansion. The "detente" strategy was dished up by the Soviet Union around the 1970s. At its 24th congress in 1971, the Soviet Communist Party put forward a "peace programme," which attached strategic importance to detente. The aim was to gain time for a military build-up so that the balance of forces would be in favour of the Soviet Union. It can be said that their aim has almost been realized after more than a decade's efforts. The more the negotiations, the bigger the stockpile of weapons, both nuclear and conventional,

LETTERS

Don't Forget Mao Zedong

One is appalled at the present tendency in some circle of the community to denigrate Mao Zedong. He had not been warped by power nor money but remained a teacher. He and Zhou Enlai were the two whose leadership and personalities were responsible for the unification of the Chinese people and the development of the spirit of work and self-help that seized the people's imagination. He let loose the "cultural revolution." His aspirations were high. As an outsider without any real knowledge of China and the Chinese one wonders if that is what is happening now.

Don't forget Mao Zedong, he was your spiritual guide!

G. Selk
Nedlands, Australia

Finally you have published a clear article on Chairman Mao by Zheng Bian in the first issue of 1981. We are friends of China and admirers of Mao Zedong. (Don't forget there are admirers of Chairman Mao in all walks of life all over the world, because Chairman Mao was one of the great historical personages of our times.) We

were disturbed to read many articles in the Chinese press which ambiguously alluded to Chairman Mao, but which did not dare mention his name. However, Zheng Bian's article has changed the situation and I would like to congratulate him. Mao Zedong was mortal, and therefore susceptible to committing mistakes. This we know. I must, however, admit that among friends of China, many were taken in by Lin Biao, who glorified Chairman Mao for ulterior political reasons.

Who could have predicted the horrible developments of the "cultural revolution" and the vicious and inhuman influence of Jiang Qing and her gang? She nearly destroyed China, dashing your hopes—one day you will build your great country into a genuine socialist country. Yes, dear Chinese comrades, continue to honour the memory of Chairman Mao.

Antoine Aresu
Hoeilaart, Belgium

Former Red Guards on Jiang Qing

I would like to say a few words about the article "Former Red Guards Discuss Jiang Qing's Trial" (Issue No. 6). Their views were good and inspiring. But it's a pity there was no opinion expressed by "non-intellectuals," especially

as all those interviewed hold relatively good positions. I think it would be nice to know the views of ordinary workers and peasants.

Wilfried Wimmeler
Graz, Austria

TV in China

The Special Feature on TV in China in issue No. 10 is very interesting. Articles like this help us to build up a far clearer picture of what day-to-day life is like in China. Features on more aspects of daily living would, in my opinion, be very welcome. Being a student myself I was interested to read of the "Television University." I am in the process of establishing a short weekly feature on "News From China," as stated in *Beijing Review*, for our university radio station here. There is a weekly programme on world affairs and the material in *Beijing Review* will be very useful in putting China's point of view across.

Robert D. Metcalfe
London, Britain

Your letters are welcome. Because of space limitations, we can only print a selection. Condensations are made for the sake of brevity or clarity.
— Ed.

and the louder the cry for détente, the tenser the international situation. Abetted and aided by the Soviet Union, Viet Nam invaded Kampuchea, while Soviet Union itself invaded Afghanistan. In addition, Poland faces the danger of armed intervention, and the situation in the Caribbean Sea, the Horn of Africa, southern Africa and other areas is far from tranquil.

Making full use of the détente offensive, the Soviet Union has expanded its superiority in nuclear weapons; at the same time it does everything possible to restrain the actions of the West. In his report at the 26th Congress of the Soviet

Communist Party not long ago, Brezhnev again harped on "détente," "peace" and "co-operation." Immediately afterwards, he started a flurry of "correspondence diplomacy" and raised many so-called "new proposals." The Soviet Union's new peace offensive is aimed at sapping the fighting will of the people of the world against Soviet hegemonism, driving a wedge between Western Europe and the United States, covering up its wild ambitions of aggression and expansion and extricating itself from its predicament in Afghanistan and Kampuchea.

In the face of this Soviet peace offensive, it becomes all the more necessary for countries

opposing Soviet hegemonism to unite, consult more often with each other and co-ordinate their actions to counter Soviet aggression and expansion. At present, Afghanistan and Kampuchea are still in the front-line of the struggle. The Kampuchea and Afghanistan issues should not be overlooked because of other questions.

My opinion is that, unless there is a change in the balance of forces, the aggressor troops will not withdraw from the places they have occupied. A peaceful and tranquil world will not emerge out of negotiations only.

— International Editor
Guo Ji

POLITICAL

Tasks of Trade Unions

What are the major tasks of China's trade unions today? What should they do to contribute to the current economic readjustment and political stability? The leadership of the All-China Federation of Trade Unions recently discussed these questions and, on the basis of the experiences gained over the last two years, put forward the following five tasks:

— Centring around the task of modernization, trade unions should mobilize and organize the workers and staff members to carry out reforms in the economic organization and systems and go in for technical innovations. The aim is to raise labour productivity and improve the people's material and cultural well-being step by step.

— While safeguarding the interests of the state and the collective, trade unions should work for the interests of the workers, protect their democratic rights and oppose bureaucracy.

— Since vestiges of the old society still remain in a socialist country, trade unions should play the role of communist schools, organize the workers and staff members to study politics and culture, and help raise their socialist consciousness and their technical and managerial skills. At present, trade unions in various parts of the country have set up 3,669 schools of different types attended by 1.13 million workers and staff members.

— Trade unions should keep in close contact with the masses and really be the workers' own organizations. Owing to the "Leftist" thinking that prevailed for some years in the past, the trade unions could not carry out their activities independently and play its supervisory role.

— Trade unions should promote unity among the workers and staff members. This includes unity between the workers engaged in production and those in the service trades and unity between manual and mental workers. The trade unions should also strengthen unity with the 800 million

peasants and the international working class.

Trade unions in China are mass organizations under the leadership of the Communist Party. Workers and staff members of factories, shops, schools, hospitals, scientific research institutes and other units can join the trade unions of their own will.

During the "cultural revolution" (1966-76), the All-China Federation of Trade Unions was forced to suspend activities. In October 1978, the Ninth National Congress of China's Trade Unions was held and a new leading body was elected. Since then the work of the trade unions has been gradually restored. Ni Zhifu, formerly a national model worker and worker-engineer, is the president of the All-China Federation of Trade Unions.

ECONOMIC

Restructuring of Industry

The restructuring and amalgamation of industrial enterprises have been going on over the past two years. The aim is to reorganize existing productive forces in a more scientific and rational way and tap the potential to the full. This will help the various enterprises move faster towards specialization in production irrespective of their locality and system of ownership.

According to statistics from 28 provinces, municipalities and autonomous regions, 19,300 enterprises had been amalgamated into 1,900 specialized companies or general plants by the end of 1980. Some industrial depart-



Trade unions arrange for sanitation workers to stay at a sanatorium on Fragrant Hill, a scenic spot on the outskirts of Beijing.

ments had begun to set up national specialized companies on a trial basis.

In northeast China's Liaoning Province, one of the major industrial bases in the country, 122 specialized companies and 65 general plants have been set up, with 2,098 enterprises under their management. Their output value and profit now account for about one-fifth of the total from the province's industrial and transport enterprises. In addition, the province's various joint enterprises formed by merging 953 smaller units increased their output value last year by 1,400 million yuan and their profits by 160 million yuan.

In the port city of Tianjin, a carpet company formed in January 1980 through amalgamation increased its annual output value by 20 per cent over 1979; output of carpets went up by 23 per cent and profits by 22 per cent.

In Shanghai 72 specialized companies and 235 joint enterprises have been set up. The Shanghai Sewing Machine Company, which has a strong technical force and uses fairly advanced techniques, produced 2.5 million sewing machines last year. As the company has difficulty in expanding production because its workshops are small, its manager proposed that a joint enterprise be set up with some sewing machine factories in other provinces so as to help them tap their potential and raise output.

The current economic readjustment is aimed at changing the country's economic structure in a comprehensive way. After more than 30 years of efforts, China has built 400,000 industrial and transport enterprises with a total asset of 800,000 million yuan. However, their structure and

management leave much to be desired, the level of specialization is low, the techniques employed are not up-to-date and many overlap. To restructure and amalgamate these enterprises in line with the principle of specialization and co-operation requires a comparatively small amount of investment and will increase the productive forces in a short time. In this way, not only will output and income be increased, but a solid foundation will be laid for the sound development of industry in the days ahead.

A System That Mobilizes Peasants' Enthusiasm

In China's countryside, there are now more grain, more farm machinery, more income for the peasants and more capital construction projects on the farmland. What accounts for such thriving conditions?

The main reason is that, since 1979, the system of responsibility in production has been introduced in the rural communes, and this has aroused the enthusiasm of the peasants. This system takes various forms which have one thing in common: the adoption of contracts for fixed quotas and remuneration according to output, with extra pay for above-quota output. There are, however, some differences with regard to the undertaker, the scope and the content of the contracts. Generally speaking, the forms of responsibility fall under three categories:

(1) The system of fixing output quotas on the basis of specialized groups (usually consisting of several peasant households), specialized households or specialized individuals (for tending livestock and poultry,



Members of a production team in Yongan County, Jiangxi Province, meticulously tending a rice seedling bed.

cultivating orchards or engaging in handicraft work) under the unified management of the production team (a team generally embraces 20 to 30 households) which is the basic accounting unit in the countryside. Remuneration is given according to output. This is the general form followed in localities where the collective economy is comparatively consolidated.

(2) The system of individuals undertaking to fulfil certain quotas in farm work under the unified management of the production team. Payment is also reckoned according to output. This form is usually followed in places with an average level of economic development.

(3) The system of peasant households assuming full responsibility for most of the farm work formerly undertaken by the production team. Here again remuneration is given according to output. The fixed amount of output originally agreed upon has to be handed

over to the production team for unified distribution, but the peasant households are allowed to retain that part of the output in excess of the fixed quota. This is called the "system of fixing farm output quotas on the household basis." A variation of this form of responsibility system stipulates that a certain amount of the output has to be handed over to the state and the collective, and the peasant households can retain whatever surplus there might be. This form, generally followed in the poor and backward areas (accounting for nearly 20 per cent of the rural areas) where the level of production is low, is welcomed by the local peasants.

Thus, the form of responsibility in production may vary from place to place, but in all cases the land and means of production are still collectively owned, and the production team remains the basic accounting unit. Moreover, the principle "to each according to his work" is implemented. This upholds the socialist orientation in that it not only gives scope to the superiority of the collective economy but also fully arouses the enthusiasm of the commune members for production.

The various forms of responsibility in production that have emerged today are the result of experiences, both positive and negative, summed up by the Party and government since the movement for co-operation in the early 1950s. In giving guidance, the Party and government take the actual conditions into consideration and recommend the form that is most suitable for the locality. But in the past, owing to the influence of "Leftist" ideology, imple-

Sports

China Wins World Table Tennis Team Championships

CHINA captured both the men's and women's team titles at the 36th World Table Tennis Championships which opened on April 14 in Novi Sad, Yugoslavia. In the team event finals on April 20 the Chinese men's team defeated the Hungarian team 5:2 while the women's team defeated the south Koreans 3:0.

In the preliminaries, China's men's team emerged the victor of its group by defeating seven other teams. In the semi-finals, it trounced Czechoslovakia 5:0 to qualify for the finals.

The Chinese women players did equally well. They finished first in the group contests with seven straight wins, without conceding a single match, and went on to beat the Soviet players 3:0 in the semi-finals.

The Chinese teams were mostly made up of young players, aged 19 or 20, who participated in the championships for the first time. Bold in attack and displaying superb skills, they gave a good account of themselves.

The 36th World Championships, the largest ever with more than 500 men and women contestants from 86 countries and regions, saw a general rise in techniques. (For results of individual events see our next issue.)

mentation of the system of fixing output quotas on the household basis was criticized as a "capitalist tendency" even though the peasants in some areas were in favour of it.

In the course of eliminating the influence of "Leftist" thinking, people have come to realize that the various forms of responsibility in production as mentioned above cannot be regarded as a deviation from the socialist road. Rather, they help solve the contradiction between the relations of production and the level of the productive forces and are therefore important measures for safeguarding the socialist collective ownership.

In central China's Henan Province which has a population of 70 million, about 60 per cent of the 370,000 rural production teams have introduced the system of individual re-

sponsibility for the fulfilment of certain quotas in farm work (this falls under the above-mentioned second category). Liu Jie, first secretary of the Henan provincial Party committee, said that this system is just as important as the responsibility system of each worker in a factory or each member of a crew on a train.

Some production teams in this province have organized people with special skills to fulfil specialized tasks according to contracts. Farm work and sideline occupations in Henan are moving in the direction of specialization and management patterning on the enterprises (i.e., the first category).

Last year Henan Province supplied 3.5 million tons of grain to the state, which was a record high. Its 1980 cotton output was double that of 1979,

the output of oil-bearing crops rose by 40 per cent.

In Fujian Province in the south (population: 24 million), 94.5 per cent of the production teams have introduced various forms of responsibility system in farm production. The provincial Party committee gives due respect to the wishes of the majority of peasants who have the right to decide for themselves.

In the Inner Mongolian Autonomous Region, approximately 50 per cent of the pastoral and farming areas have adopted the system of fixing output quotas on the household basis (i.e., the third category). This proportion is quite high, compared with other parts of the country, because the level of production in Inner Mongolia is rather low.

FOREIGN RELATIONS

China's Foreign Trade Expands

China's 1981 Spring Export Commodities Fair, the 49th since the fair began in 1957, opened on April 15 in Guangzhou.

Chinese foreign trade companies and undertakings participating in the fair are divided into 11 business groups according to their specific fields. They will co-ordinate their business talks and transactions with foreign firms.

Most of the machinery, electric equipment, and instruments and meters on display are new products. And there are many new varieties of textile and light industrial goods and handicraft works.

China's foreign trade has developed rapidly in recent

years. The total volume of imports and exports last year was almost two and a half times as much as in 1977. This year when the national economy is undergoing further readjustment, China's foreign trade will continue to expand.

The total volume of China's imports and exports in the first quarter of this year was 23.4 per cent more than in the same period of last year, of which exports increased by 15.6 per cent and imports went up by 31.1 per cent.

Among the commodities exported in the first quarter, the increase was 72 per cent for machinery and electric products over that of the same period of last year, and 19.7 per cent for textile and light industrial products and handicraft articles. There was also a slight increase in the export of farm and sideline products.

Of the commodities imported, chemical fertilizer, insecticides and other products for agricultural use doubled as compared with the same period of 1980. The import of cotton, chemical fibres, wood pulp, chemical dyestuffs and other raw materials for the light and textile industries and handicrafts rose by 37.7 per cent; grain, animal fats and vegetable oils, sugar, TV sets and other goods for daily use increased by 51 per cent, while new technology and complete sets of equipment upped by 80.8 per cent.

News in Brief

More Machinery Exported. The China National Machinery and Equipment Import and Export Corporation will export to the Peruvian Electrical Company 22 power generating sets for 14 small hydroelectric power stations under an agreement signed recently by the two sides.

Chinese engineering and technical personnel will be sent to give advice during the construction of these power stations.

The value of exports by the corporation has increased in recent years. In 1980, the corporation exported machinery and electric products to over 100 countries and regions, and the value of these exports was 60 per cent more than in 1979. A further increase in the export trade is expected this year.

The corporation started its operations in Shanghai, Tianjin, Guangzhou, Dalian and five other port cities. To facilitate imports and exports, it has expanded its operations to eight other cities, including Chongqing and Wuhan, which can handle trade directly with other countries and regions.

More Non-Ferrous Metals Exported. The China Metallurgical Import and Export Corporation signed more than 300 contracts with foreign dealers last year for the export of non-ferrous metals valued at 200 million U.S. dollars. Titanium ingots were produced according to the buyers' technical specifications. China has rich deposits of titanium ore.

Other exports included sponge titanium, tantalum, molybdenum, gallium, indium, germanium, high alumina clay, rare earth oxides, ferro-alloys, pig iron, rolled steel, iron castings, steel castings and forgings. The corporation also exported complete sets of equipment and spare parts for metallurgical plants and mines. These non-ferrous metals were sold to West Germany, France, U.S.A., Italy and 12 other countries or regions.

The corporation has signed two- or three-year contracts with corporations in Japan and the U.S.A.

Hoang Van Hoan on Vietnamese Situation

Comrade Hoang Van Hoan was Vice-Chairman of the Standing Committee of the Vietnamese National Assembly when he came to China in July 1979. He recently gave an exclusive interview to a "Beijing Review" reporter and answered his questions. — Ed.

Question: How is the economic situation inside your country today? What impact has this had on the social and political life of Viet Nam?

Answer: Viet Nam has many favourable conditions to develop its economy. But our economy has been declining sharply over the last six years and is getting into a dead end. The 1976-80 five-year plan of Viet Nam worked out by Le Duan and company at the fourth Party congress, which set very high and attractive targets, has proved a flop.

In agriculture, there have been successive crop failures over the past few years. We have been short of about 2 million tons of food-grains every year. Meat, vegetables, beans and sugar are also scarce. More and more food has to be imported and no single country can provide enough food to meet Viet Nam's needs.

In industry, official figures released by the authorities concede that the total output value of Vietnamese industry has dropped sharply. The country is short of raw materials, energy, technical know-how and labour. Viet Nam has great difficulties trying to manufacture enough goods to meet basic minimum



needs. Even needles and thread have to be imported.

In commerce, the country produces hardly enough to fill the shop shelves. Moreover, too often commodities find their way into the hands of speculators. Because of the lack of goods, the authorities have no way of withdrawing the surplus money in circulation. The salaries of cadres, workers and staff members are often not paid in time. Because of the above-mentioned factors, the material life of our people is extremely poor. Even the already very low ration of food-grains and other daily necessities is often unavailable.

Morally, because the state set-up as a whole has now lost its revolutionary content, people in general are anxious, discouraged and resentful. Factional strife, corruption, degeneration, bribery and bullying the people are commonplace. The rule of public security agents has made life stifling and unbearable for the people in my country. This is something which is unprecedented.

In such a society, social ills, such as gambling, prostitution, smuggling, theft, murder and robbery, have proliferated.

There are even some forms of organized crime. Instances can be found in such newspapers as *Nhan Dan* and *Quan Doi Nhan Dan*. This is not at all surprising.

If there is no fundamental change of the line, things in my country will get a lot more serious.

Q: The situation inside Viet Nam is not good. What led to this? And how do your people feel about this?

A: Viet Nam is a backward, agricultural country. After 30 years of warfare, the country has had a run of grave natural disasters. All these are factors hindering the restoration of its national economic rehabilitations.

But the root cause behind the grave situation today lies in the aggressive and bellicose policies Le Duan and company are pursuing. We should have concentrated on healing the wounds of war and the reconstruction of the nation right after countrywide liberation. Instead, Le Duan and his cohorts proclaimed Viet Nam the third strongest military power in the world and sent vast numbers of soldiers to take over Laos, overrun Kampuchea and to harass and provoke China. The whole nation was mobilized, with manpower and material resources all geared for war. It was quite unnecessary. The result was to leave production

work mainly to the old, the weak, to women and children. Our people are being oppressed and exploited, which is why they show little enthusiasm for work and production. What is more, Le Duan and company have thrown themselves into the arms of another country, betrayed our national interests and are helping a foreign country to further its global strategy. This makes Viet Nam subservient to the wishes of that foreign power economically, politically, militarily and diplomatically. Viet Nam faces the real danger of completely losing its national independence.

We Vietnamese have a long and glorious revolutionary tradition. We have fought long and hard a revolutionary war, not in order to put ourselves into the sorry state we are in today, reverting to a colony, instead of being free and independent. The Vietnamese people in general are not happy with Le Duan's regime. They are expressing their dissatisfaction in various ways. I believe the day will come when my people will stand up and topple the criminal regime of Le Duan and company.

Q: Would you like to say something about Vietnamese-Chinese relations? I raise this question because, when Xuan Thuy was recently in Moscow, he viciously attacked China.

A: I have already gone into this before, in my article "Distortion of Facts About the Militant Friendship Between Viet Nam and China Is Impermissible." (See *Beijing Review*, No. 49, p. 11, 1979.)

Broadly, Vietnamese-Chinese relations went through two periods—before, and after the founding of the Chinese Communist Party.

In the first period, there were aggressive wars and anti-ag-

gressive wars between our two countries. After the wars, friendly relations were restored. As for the ordinary people of our two countries, their relations have always been fine.

After the founding of the Chinese Communist Party, our two peoples' fraternal relations grew. We had a struggle in common, we fought against the same enemy. This was the revolutionary basis on which our relations were built. Particularly after your country was liberated, united and militant relations between our two Parties and our two countries developed further. President Ho Chi Minh made a thorough analysis of this and summed up this relationship as one between "comrades and brothers." Le Duan and company have tried to destroy this militant friendship by anti-China moves. This shows that they have completely betrayed

the correct line spelled out by President Ho Chi Minh. And I say: Whoever speaks out for their aggressive and bellicose policies, whether it is Xuan Thuy or Nguyen Co Thach or any Vietnamese diplomat, is telling a big lie.

The militant friendship between the Vietnamese and Chinese peoples is indestructible. The present unhappy situation is only a temporary phenomenon. We Vietnamese know right from wrong. We will certainly join efforts and fight to renew and develop our friendship. The people of my country will remove the cloud hanging over our relationship, and the sun of comradeship and fraternal ties will shine again. On my part, so long as I have a breath left, I shall continue to make all efforts towards this historical goal.

Aid for African Refugees

Where Is the "Natural Ally" Now?

The Soviet Union refused to take part in the Geneva International Conference on Assistance for African Refugees. Doesn't this show that it is only interested in furthering its own interests and not in helping African refugees? Many of the refugees are the victims of the expansionist policy the Soviet Union pursues in Africa.

ABOUT one half of the estimated 10 million refugees in the world are in Africa. At the International Conference on Assistance for African Refugees held in Geneva on April 9 and 10, almost one hundred countries participated and contributed \$560 million to help these luckless people in Africa.

Third world countries contributed generously also, but the superpower which constantly declares itself the "natural

ally" of the third world, was conspicuously absent. Africa is a continent of third world countries where the Soviet Union directly or indirectly has turned many Africans into homeless refugees.

Although the Soviet Union callously ignored the conference called by the United Nations High Commissioner for Refugees (U.N.H.C.R.) it has never been reluctant to interfere in African affairs.



Chad refugees in Cameroon.

The Soviet Union spends more than \$100,000 million a year on weapons and generously supplies weapons to its surrogates, but this "natural ally" did not give even a token donation. "A friend in need is a friend indeed," is a popular proverb in any language. The world community, particularly the African countries facing grave political, economic and social problems and hard-pressed to feed and house the refugees, wants to know why the superpower which claims to be the "friend" of the third world, has been so unforthcoming in help.

The world sees, however, that the Soviet Union is not always so parsimonious. It gives Hanoi 3 million dollars worth of alms a day in support of the latter's invasion of Kampuchea. Of course, Hanoi has to help further Soviet interests in Southeast Asia. Similarly, the Soviet Union hands Cuba 9 million dollars a day, three times as much. After all, Cuba is furthering Soviet interests in a lot more places. So it is not

very hard to see that the Soviet Union is interested in expansion, but not in aiding homeless refugees in Africa, many of them victims of the Soviet expansionist policy.

Most African refugees are found distributed over the Horn of Africa, southern and eastern Africa, the Sudan, Zaire, Cameroon and Algeria. In the Horn of Africa there are an estimated 2 million, of whom about 1.5 million are in Somalia, driven out of Ogaden. Djibouti, the newly independent state has 30,000 refugees who managed to leave Ogaden and Eritrea. This

makes one person in every 10 in Djibouti a refugee.

There are many reasons behind the growing African refugee problem. Drought and famine, intertribal and territorial conflicts, differences of religious beliefs, racial discrimination—many of these problems created during colonial rule and so on. But the recent flood of refugees is inseparable from Soviet meddling in Africa. In the last 10 years, the Soviet Union, directly or through Cuba, has interfered in and intensified local conflicts, border disputes and civil war. The Soviet Union has exacerbated political bad blood in Africa. It has undeniably supplied weapons to some African countries and organizations to fight other African countries and organizations. Cuban mercenaries at Soviet instigation and with Soviet help are in Africa to provoke and enlarge conflicts.

More appropriately, this self-proclaimed "natural ally" should be clearly named the "unnatural ally," for when the third world countries need help, this "natural ally" is nowhere to be seen.

—*"Beijing Review" news analyst Yu Pang*

Haig's Mideast Tour

Building a Strategic Consensus

U.S. Secretary of State Alexander Haig, the main voice of the Reagan administration's tough anti-Soviet line, wound up what he termed a "successful" tour of the Middle East earlier this month. In talks with the leaders of Egypt, Israel,

Jordan and Saudi Arabia, Haig stressed the interrelationship of the peace process with the desire to confront Soviet expansionism in this region more effectively. The Secretary of State's first official visit abroad, made while President Reagan was still in

the hospital recuperating from a recent assassination attempt and overshadowed by tense speculation of Soviet intervention in Poland, indicates the high priority which the Middle East occupies in the new government's policies.

The global strategy of resisting Soviet expansion is the first consideration of the current U.S. policy in this region. The Reagan administration thus advocates strengthening the U.S. military presence in the Middle East. At the same time, it is seeking to build a strategic consensus in the vast area from Pakistan to Egypt, and is prepared to offer military support to those countries friendly to the United States in order to counter the Soviet menace. Washington holds that the Arab-Israeli conflict and other regional disputes must therefore be studied and resolved within the context of the larger threat from the Soviet Union. Gaining support for this view was the central aim of Haig's Middle East trip.

However, Haig and his hosts were not always in agreement. While the leaders of the four countries concurred that the Soviet Union is a threat, there were differences on whether this threat should be considered the most urgent in the Middle East. King Hussein of Jordan held that the Soviet influence in the Middle East is a direct result of Israel's annexation of Arab land and the U.S. policy of support for Israel. The biggest threat to peace in the region comes from Israel, Jordan's Foreign Minister insisted. Saudi Arabian Foreign Minister Saud al Faisal echoed this view and emphasized that the Arab-Israeli conflict should be given first consideration as "it is the basic

and main cause of instability in the area." Saudi leaders also told Haig that the improvement of relations between their two countries depends on a change in U.S. policy towards this issue.

The U.S. Secretary of State offered reassurances of continued American commitment to a resolution of the Arab-Israeli question, declaring that the United States "will join the peace process as a full partner." The United States, Egypt and Israel determined to resume the

region, the Reagan administration has given Israel and Egypt top priority in securing U.S. military aid. However, Washington has not received complete support for its Mideastern strategy even from these two countries. Israel has protested that the U.S. sale of F-15 fighter bombers to Saudi Arabia will pose a direct threat to its security. Egypt, on the other hand, has not been as co-operative as Washington would like in offering the use of its military bases; the United States has only been

The key to the success of Reagan's firm stance against Soviet expansionism in the Middle East is to win the support and co-operation of the Arab countries. If Washington continues to take a blindly pro-Israel stance, it will be difficult to reach a strategic consensus among the Arab countries.

deadlocked peace negotiations at an early date and reached an initial agreement on the formation of a multi-national peace-keeping force in the Sinai desert after the complete withdrawal of Israeli troops in April 1982. However, Haig could not persuade Jordan or Saudi Arabia to support the Camp David Accords, nor could he induce Jordan to take part in the Palestinian autonomy talks. King Hussein charged that the accords have failed to achieve a comprehensive peace because they ignore the central issue of the conflict, the Palestinian problem. Jordan asked the United States to abandon the Camp David peace talks and join a proposed international conference on this issue under the auspices of the United Nations.

In its efforts to strengthen relations with the countries of this

allowed to use the Red Sea base of Ras Banas, and Cairo refuses to sign a formal agreement with the United States on it.

By most assessments, Haig's Middle East tour has helped to promote mutual understanding and improve relations between the United States and the four host countries. But as Haig indicated during his stay in Israel, the United States is against recognition of the Palestine Liberation Organization and its participation in any negotiations between Israel and the Arab countries. This stand is in direct opposition to the wishes and interests of the Arab people. If the Reagan administration persists in such a policy, it will prove difficult, if not impossible, to reach a strategic consensus among the Arab states.

— Ren Wenhui

Madrid Meeting Adjourns Again

THE Conference on European Security and Co-operation, scheduled to end on March 5 in Madrid recessed for the second time on April 10 until May 5, because no agreement could be reached on the final document.

The Madrid conference, the second review conference following the Belgrade meeting in 1977 to review the working of the 1975 Helsinki agreement, opened last November after two months of preparatory meetings.

The Madrid security conference took place after the Soviet Union invaded Afghanistan and while the threat of its military intervention in Poland loomed large. Delegates from 35 countries submitted some 80 proposals for discussion, regarding military detente, exchanges of personnel and information, economic co-operation, joint action against terrorism, security in the Mediterranean and so on. However, the main purpose of the Madrid conference was to review the implementation of the Helsinki final act which, in fact, turned out to be an indictment of the Soviet Union for its invasion of Afghanistan. The other item in the limelight at Madrid was European disarmament. The first, the Soviet armed occupation of Afghanistan, occupied much of the first round, lasting from November 11 to December 19. At the conference the West charged that the Soviet Union's invasion of Afghanistan had violated both the letter and the spirit of the 1975 agreement.

Disarmament Proposal

The second round of the conference lasted from January

27 to April 10, and was mainly occupied with the question of arms reduction in Europe. France and Poland separately put forward proposals, each backed respectively by the Western and Eastern countries. Although both proposals called for the discussion of measures on confidence-building and then disarmament and both looked very much alike, they were very different in essence. The Polish proposal for European military detente and disarmament insisted that confidence-building measures should be limited to 250 kilometres inside the Western Soviet border and disarmament must include conventional arms as well as nuclear weapons, with the stress on the last. The French proposal also stressed military confidence-building measures, including prior warning of military manoeuvres, verification and so on. But it wanted the confidence-building measures extended to apply from the Atlantic Ocean to the Urals.

The Western countries favoured the French proposal. Moscow was miffed by the French proposal, particularly that passage calling for the extension of confidence-building measures. It adamantly resisted this part of the proposal, until the 28th Congress of the Soviet Communist Party, when Brezhnev suddenly announced that the Soviet Union could accept confidence-building measures to include the whole European part of the Soviet Union, but on condition that the West would also extend the measures accordingly to include the United States and Canada. The Western delegates

turned down the Soviet proposal as unacceptable, charging that it was designed to extend without any reason the geographical responsibility of the Conference on European Security and Co-operation to regions beyond Europe.

The debate went on for weeks, sometimes acrimoniously, and finally the Madrid conference recessed, with loud and empty professions about "attaining understanding" on the aim and character of the disarmament conference in Europe.

Future Is Bleak

The Madrid conference was several times in danger of folding up, but was saved by the neutral and non-aligned countries, who worked hard to keep the United States and the Soviet Union talking in Madrid. They were helped by the fact that neither of the two superpowers wanted to be the first to pull out of the Helsinki process. Moreover, the United States wanted to use the follow-up conference as a forum to roundly condemn the Soviet invasion of Afghanistan and the Soviet threat to Poland and also as a means to check any Soviet move to intervene in Poland. As for the Soviet Union, it saw that the "detente" it had so assiduously built was falling apart, so it tried to use the Madrid review conference to help repair "detente," "give it its second wind" and continue to delude public opinion. It, too, could not afford to walk out, despite the drubbing it received. That is why the conference managed to drag on, although it accomplished nothing at all, and predictably will not achieve anything positive in the future.

— Zhang Qihua

Parity or Superiority?

THE military balance of forces between the Soviet Union and the United States and between the Warsaw Pact and NATO is now routinely mentioned in practically all official Soviet speeches and press comments. They all stress that the Soviet Union is merely attempting to "preserve military parity," and is not seeking superiority.

The balance of military forces between the two superpowers and between the two huge military blocs has a definite bearing on the present international situation. The following compares some of the declared views on this question between the Soviet Union and the West.

Moscow's Views

The Soviet Union emphasizes repeatedly that the two superpowers have now reached a "strategic equilibrium militarily" and that the United States has lost its earlier supremacy. The strength of the world's two great military blocs — the Warsaw Treaty Organization and NATO — is more or less balanced. The Kremlin claims that "this military parity is an achievement in principle and of historic significance."

"The world situation took a sharp turn for the worse in the transition from the 1970s to the 1980s" when "a new round of arms race began," says Moscow. This was because the United States and NATO decided "to upset the strategic balance which has come into being in the world."

Moscow has vowed time and again that "the U.S.S.R. will never allow the United States to gain military supremacy" and that it "will increase its defence

potential in every field and thwart the scheme of the imperialists to achieve military superiority."

The West's Views

It is Washington's belief that the Soviet Union leads militarily in some aspects. Soviet deployment of SS-20s has put it ahead in theatre nuclear forces in Europe, in addition to its superiority in conventional forces. West European leaders also believe that the military balance in Europe leans clearly and heavily in the Soviet Union's favour.

Washington charges, too, that the Soviet Union has been feverishly building up its military might behind fine-sounding talk about "detente," "limitation on strategic weapons" and relevant talks and agreements. The Soviet Union in the last 10 years has spent far more than the United States on armaments, says the White House, at least \$355 billion more. American military muscle "has sagged dangerously in comparison with that of the U.S.S.R."

The West points out that the Soviet Union has in recent years repeatedly flexed its new military muscles and embarked on one expansionist venture after another overseas. It has seen Afghanistan succumb to the Soviet thrust south towards the Gulf and its oil routes threatened in the past few years. This is why, the West says, it is compelled to take military, economic and diplomatic measures to meet the Soviet challenge. The U.S. administration's new five-year armament programme is seen as a determined response.

Apparent Conclusions

An accurate check and comparison of the two superpowers' arsenals is clearly impossible. But there are some conclusions one can draw through comparing the contending claims.

- Soviet arms expansion must have grown much faster than that of the United States for it to attain the present "equilibrium," the Soviets claim.

- Moscow and Washington do agree that the United States has lost its military supremacy, and in Europe, the focus of their contention, superiority is obviously with the Soviets, which is why Moscow is satisfied with the present balance, while Washington isn't.

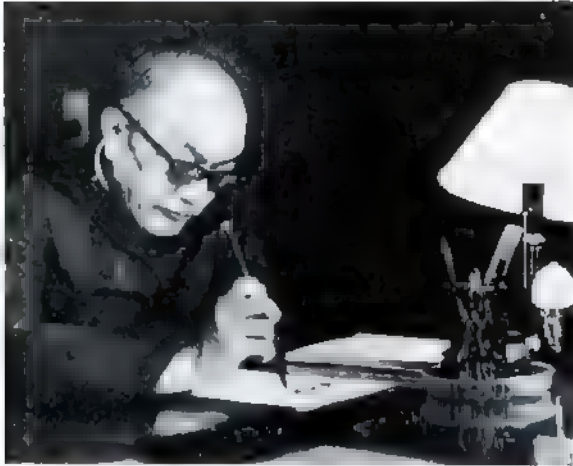
- Neither the Soviet Union nor the United States is willing to be second best compared to the other side, so both try their best to get on top of the other, which is why their arms race began to intensify sharply in the last year or so.

It is against this setting that Brezhnev advanced his proposals at the 26th Soviet Party Congress for "limiting" this arms race. The Soviet Union has again mounted another "peace offensive" like it did 10 years ago, and wants to enter into a dialogue with the West on "disarmament." But developments in the 70s are still too fresh in people's mind for many to be deceived by this new "peace offensive." Now, does the Soviet Union really intend to stop at a military "equilibrium" or is it out to gain absolute military superiority? The answer is clearly "out to gain absolute military superiority," if one looks back at earlier Soviet "peace offensives."

— Wang Chongjie

How to Assess Chairman Mao And Mao Zedong Thought

by Huang Kecheng



Following is an abridged translation of the first part of a speech, carried in "Jiefangjun Bao" (Liberation Army Daily), made at the third forum on implementing the Guiding Principles for Inner-Party Political Life called by the Central Commission for Inspecting Discipline under the Central Committee of the Chinese Communist Party. Subheads are ours. — Ed.

HOW to appraise and evaluate Chairman Mao and how to treat Mao Zedong Thought is a fundamental question before our Party and nation. On behalf of the Party Central Committee, Comrade Deng Xiaoping has expressed his principled views on this question on more than one occasion. He said that in the history of the Chinese Communist Party and the nation, Chairman Mao's merits were primary and his mistakes secondary. He also said that Chairman Mao rescued the Party and the nation from crises on several occasions. Without Chairman Mao the Chinese people would at the very least have

Born in 1903, the author joined the revolution in 1925. He was a Member of the Secretariat of the Central Committee of the Chinese Communist Party, Vice-Minister of National Defence and Chief of the General Staff of the Chinese People's Liberation Army in the 1950s. Now he is a Secretary in charge of daily work of the Central Commission for Inspecting Discipline under the Central Committee of the Chinese Communist Party.

- As the principal founder of our Party and state, Chairman Mao saved the Chinese revolution many times in periods of crisis. No one else in our Party can match him in contributions.

- The main mistakes he committed in his later years are that, after the socialist transformation of agriculture, handicrafts and capitalist industry and commerce was completed, the focus of work was not shifted promptly to socialist construction, and that class struggle was viewed in absolute terms and its scope over-extended.

- Mao Zedong Thought represents a development of Marxism-Leninism as applied to the concrete practice of the Chinese revolution and has a distinctive content and Chinese characteristics. It will continue to guide our revolution forward.

had to grope in the dark for a much longer time. Speaking of mistakes Chairman Mao made in his later years, Comrade Deng Xiaoping said Chairman Mao should not be blamed for every mistake made in the past. Other comrades of the older generation also bear responsibility. He added that we should continue to adhere to Mao Zedong Thought in the future. I fully agree with these views of Comrade Deng Xiaoping's and hold that all Party members should appraise Chairman Mao and approach Mao Zedong Thought in this spirit.

Earlier, some comrades held somewhat extreme views on these two questions and a very few even went so far as to defame Mao Zedong Thought and Comrade Mao Zedong. I have been very worried about this attitude. As an old Party member, I am dutybound to express my own views on these questions.

Let me speak about some points of history.

The peasants in Hunan rose up in revolution during the period of Chen Duxiu's Right opportunism (1921-27). Most leading members of the Party Central Committee and people from the middle and upper strata of the society

were opposed to the Hunan peasant movement. Tan Pingshan and others who went to Hunan to help solve the peasant problem said that the peasant movement was going too far. And this view was also held by Chen Duxiu. Only a few people upheld a revolutionary stand and support the peasant movement. Chairman Mao was the one who made an on-the-spot investigation and wrote *Report on an Investigation of the Peasant Movement in Hunan*, praising the Hunan peasant movement highly and refuting the various kinds of censure. Many Party members were armed ideologically on this question of crucial importance.

Meritorious Service During the Period of Establishing and Building the Red Army

After the failure of the Great Revolution in 1927, the Party Central Committee at its August 7th Meeting* adopted the general principles of armed resistance to the Kuomintang reactionaries and implementation of the agrarian revolution. It also decided to carry out armed insurrections in Hunan, Hubei, Guangdong and Jiangxi Provinces. Chairman Mao was sent to Hunan to organize an uprising at the time of autumn harvest in Liuyang and Pingjiang and to prepare for an attack on Changsha, capital of Hunan Province. Meanwhile, Comrade Luo Ronghuan and others led peasant insurrections in Chongyang, Tongcheng and other places and they organized armed detachments. Besides, there were peasant volunteers in Pingjiang and Liuyang, workers' self-defence corps in Pingxiang and Anyuan and peasant insurrectionists in Liling. Chairman Mao assembled these forces and organized the Autumn Harvest Uprising in Pingjiang, Liuyang and Liling. But the plan to attack Changsha could not be carried out. Chairman Mao saw that as Pingjiang and Liuyang were very close to Changsha, it would be difficult for the armed forces to occupy them for long. He therefore decided to abandon the policy of occupying key cities and marched to the Jinggang Mountains. This was a strategic decision of great importance.

During the famous Sanwan reorganization, Party organizations were set up by Chairman Mao at all levels in the army. After his arrival at the Jinggang Mountains he put forward

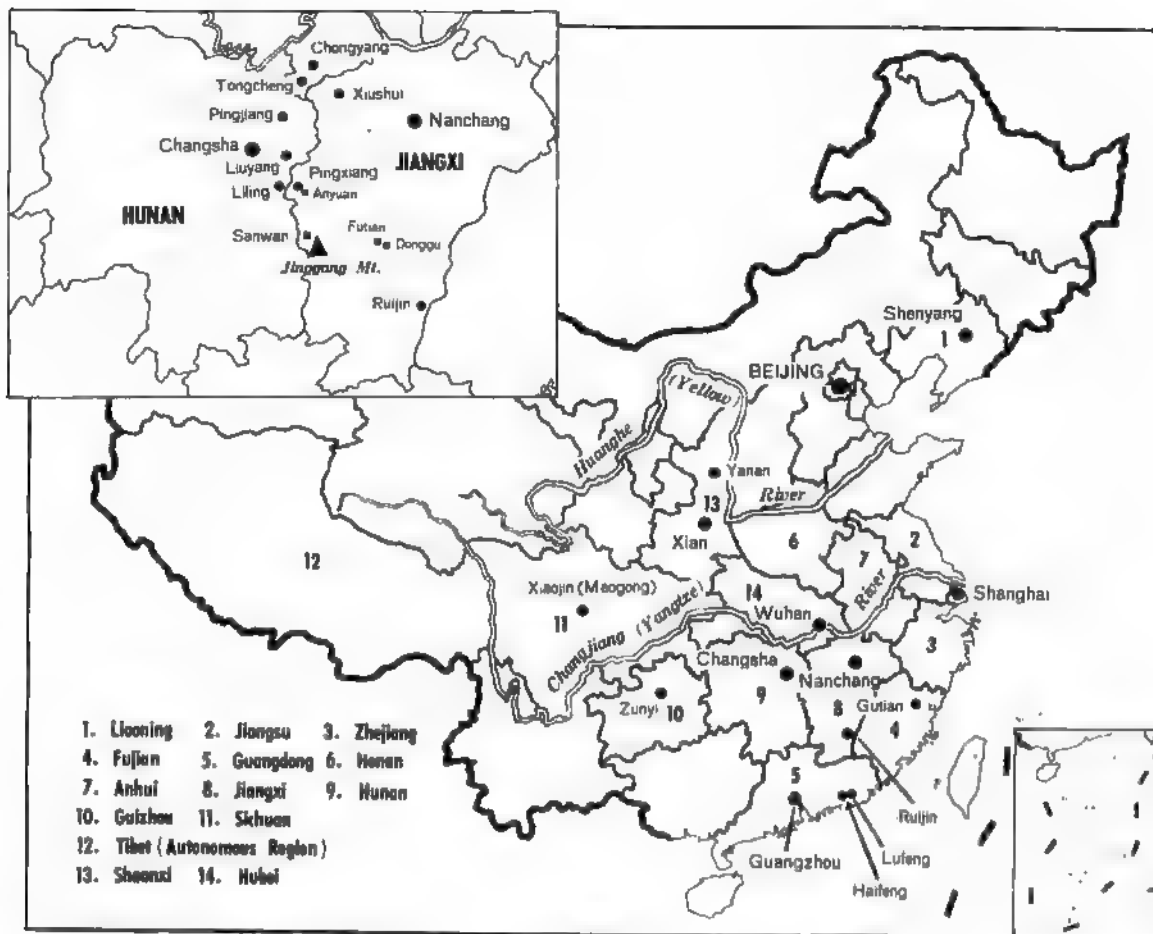
guiding principles, started establishing revolutionary political power in the middle section of the Luoxiao Mountain range and hoisted the red flag in the Jinggang Mountains. During the autumn harvest insurrection, there also were insurrections in Jiangxi Province, the western parts of Hunan and Hubei Provinces and many other places. Lack of experience resulted in most of the insurrections being suppressed by the enemy and in some places the participants were forced to bury their weapons. Forces which did not collapse but went on making revolution, openly flying the red flag, were mainly those led by Chairman Mao and some armed contingents led by Comrade Fang Zhimin in northeast Jiangxi Province.

The existence of the red political power in the Jinggang Mountains represented the orientation and hope of the Chinese revolution. Many Communists were inspired with renewed confidence in revolution during this extremely difficult period after the failure of the Great Revolution.

The August 1 Nanchang Uprising in 1927 led by Comrades Zhou Enlai, He Long, Ye Ting, Zhu De, Liu Bochong and others marked the beginning of independent Communist leadership of the revolutionary war. Over 30,000 people participated in the uprising. After its defeat, Comrades Zhu De and Chen Yi assembled eight to nine hundred troops and reorganized them into a regiment. Later they launched an insurrection in southern Hunan, enlarging their armed force. Their troops were bigger than those of Chairman Mao's. But without Chairman Mao's red flag in the Jinggang Mountains and without Chairman Mao's political and military lines, it would have been extremely difficult for them to persist in struggle.

Comrades Peng Dehuai, Teng Daiyuan and others heroically led an insurrection in Pingjiang. After that, Comrades Peng Dehuai and Teng Daiyuan went to the Jinggang Mountains with their main force. After learning from Chairman Mao how to establish revolutionary political power, set up the base area and organize the Party and the army, they went back to the Pingjiang-Liuyang area and developed the Hunan-Hubei-Jiangxi base area. After the failure of an insurrection in Guangzhou led by Comrades Zhang Tailei, Su Zhaozheng, Ye Ting and Ye Jianying, the remaining forces led by Comrades Yuan Guoping, Ye Yong and Lu Gengfu went to Haifeng and Lufeng. They formed a strong armed force which had preserv-

* An urgent meeting was held by the Central Committee of the Chinese Communist Party on August 7, 1927. Chen Duxiu was dismissed from the post of General Secretary of the Party Central Committee and a provisional Political Bureau of the Party Central Committee was elected



ed its Party organization among its ranks and boasted many Communists, most of them of student origin. They were politically and militarily better than those in the forces led by Chairman Mao and Comrade Zhu De. Peng Bai, a very fine comrade, led the struggle in Haifeng and Lufeng, set up a Soviet power there and developed the place into a very good base area which enjoyed the support of the masses. But the lack of a correct military and political line and the influence of pessimism in the Party led to the eventual collapse of this strong force and this well-established political power. Yet the forces led by Chairman Mao, which were smaller than those of the Nanchang Uprising and the Guangzhou insurrection and which also had suffered twists and turns, alone survived in the Jinggang Mountains. Why was this? It was because at the crucial moment after the failure of the Great Revolution only Chairman Mao correctly solved both the theoretical and practical problems of whether the Red Army and the red political power could exist and develop, as well as pointed out how this could be achieved.

In short, at the most critical historical

turning point following the defeat of the Great Revolution, Chairman Mao performed great feats for our Party and for the Chinese people. Without the red flag he flew in the Jinggang Mountains, it is difficult to imagine what would have become of the Chinese revolution.

Frustrating the Enemy's Three "Encirclement and Suppression" Campaigns

In February 1929, the Party Central Committee in Shanghai instructed Zhu De and Chairman Mao to leave their forces and go to Shanghai, and divert the enemy's attention from their army by scattering it to company and platoon units. At that time the revolution was at a low ebb. Chairman Mao replied to the Party Central Committee that they could not leave for Shanghai for fear that their forces would fall apart. Soon after, armed clashes between the warlords broke out and the situation changed. At that critical moment, if Chairman Mao had not persisted in his correct stand, it is hard to say what would have happened to our army.

When the main force of the Red Army was

in the western part of Fujian Province in 1929, a dispute arose within the Party over certain major questions of principle. The result was that the majority in the Party disagreed with Chairman Mao. Chairman Mao was ousted from his post as Secretary of the Front Committee and had to take a rest and recuperate. Later, with Red Army combat operations bogged down in difficulties, Chairman Mao was asked to take up his post again. The Ninth Party Congress of the Fourth Army of the Red Army was held in Gutian and the resolution of the congress, drawn up by Chairman Mao, was adopted. The main part of the resolution consisted of the article "On Correcting Mistaken Ideas in the Party," which was included in the *Selected Works of Mao Zedong*. This resolution solved many key problems of ideology and political line within the Party. Chairman Mao's correct policy-decisions on matters of life and death to our Party and army played a great role in building the Party and the army.

In 1930 the Li Lisan line emerged. The objective was to concentrate the main forces of the Red Army to take Wuhan. At that time the situation was excellent for the Red Army. It occupied a dozen or so counties in Jiangxi which meant that the whole western part of the province was under its control. Many comrades suggested that it should first attack Nanchang and then Wuhan. At that juncture when a key policy-decision was urgently called for, Chairman Mao discerned signs of a change in the situation. He judged that the fighting among the warlords would soon stop and Chiang Kai-shek would be able to concentrate his troops on an attack against the Red Army. At that time only Chairman Mao recognized this problem and had Comrade Zhou Yisu try to persuade the Third Army Corps of the Red Army not to run the risk of attacking Nanchang but to quickly march eastwards, cross the Ganjiang River to the old base area and wipe out the enemy when it came to attack. After a debate lasting nearly a month, the comrades in the Third Army Corps of the Red Army were convinced; they withdrew their troops to the old base area. It was primarily due to this correct decision that the Red Army was able to smash Chiang Kai-shek's first, second and third "encirclement and suppression" campaigns. If the troops had not come back to the Soviet Area, but had fought battles in the enemy-occupied areas, it is more than likely that they would have suffered serious losses.

After the Red Army in Jiangxi Province smashed the first "encirclement and suppression"

campaign in 1931 in accordance with Chairman Mao's policy of "luring the enemy in deep," the Party Central Committee sent Comrade Xiang Ying and others to the Soviet Area. Xiang Ying was appointed Secretary of the Central Bureau and concurrently Chairman of the Military Committee. The Front Committee of the First Front Army of the Red Army with Chairman Mao as its Secretary was dissolved. Then came the enemy's second "encirclement and suppression" campaign. Chiang Kai-shek had adopted a policy of building pillboxes around the base area and converging on it step by step. Comrade Xiang Ying and others, with no experience in war, maintained that the Red Army should leave the Soviet Area. At that time only Chairman Mao opposed flightism and the abandonment of the Soviet Area, maintaining that the army should fight in the base area. This precipitated a month-long controversy until the enemy arrived at the mountains between Futian and Donggu in Jiangxi Province and was building pillboxes there. In this critical situation Chairman Mao gave a decisive order to attack, and several enemy divisions were annihilated at one stroke. Chairman Mao himself never spoke about the history of that period, nor did other comrades, so nowadays many comrades don't know about it. When the third counter-campaign against "encirclement and suppression" was mounted, there was no dispute about what to do; Chairman Mao had the final say. His prestige had been greatly enhanced through the previous two counter-campaigns.

Exclusion of Chairman Mao From the Leadership Caused Many Losses to The Revolution

After the smashing of the third "encirclement and suppression" campaign the September 18 Incident* of 1931 occurred. Most of the comrades of the Central Committee moved from Shanghai to the Central Soviet Area, where a Central Bureau was formed to direct the struggle of the whole area. The situation then was extremely good. Firstly, after the victory over the enemy's third "encirclement and suppression" campaign, Chairman Mao devoted the main force of the Red Army to consolidating the base areas, and in the short

* On September 18, 1931, the Japanese aggressors raided Shenyang. Before long, they had occupied the whole of northeast China owing to Chiang Kai-shek's stepped-up efforts to suppress the Communist Party instead of resisting the invaders.



Site of the Zunyi Meeting.

period of two or three months, the bulk of the enemy strongholds there were wiped out. Secondly, the outbreak of war* in Shanghai on January 28, 1932 threw Chiang Kai-shek into a tight spot. He had to deal with the Japanese on one hand and internal factions on the other. Unfortunately, at that particular time, divergencies emerged again within our Party. In view of the situation, Chairman Mao put forward a strategic policy: Part of the Red Army should remain in the Soviet Area to persist in the struggle while the main force should, under the slogan of supporting the struggle of the KMT 19th Route Army against the Japanese invaders, should open up connections with the Red Army in northeast Jiangxi, and develop a Fujian-Zhejiang-Jiangxi base area. This correct proposition of Chairman Mao's was refused by comrades of both the interim Central Committee in Shanghai and the Central Bureau. Because Wang Ming's "Left" line was dominant in the Central Committee, Chairman Mao again was edged out from the leadership. However, his military concept and strategic policies had already exerted a profound influence in the Red Army. Under the command of Comrades Zhou Enlai and Zhu De, the Red Army smashed the enemy's fourth "encirclement and suppression" campaign. In 1933, the interim Central Committee with Bo Gu as Secretary came to the Central Soviet Area too, followed by Otto Braun sent by the Communist International to direct the Red Army. By this time, the "Left" opportunist line of Wang Ming had gained com-

* On January 28, 1932, the 19th Route Army of the Kuomintang (KMT) under commander Cai Tingkai rose heroically to resist the Japanese invaders.

plete ascendancy in the Red Army. Chairman Mao's guidelines and his principles of military command were altered, with the result that the whole of the Central Soviet Area was lost to the enemy. The Central Red Army was compelled to go on the Long March. When the march started, there were more than 80,000 men. But only one-fourth of them were left after crossing the marshy grasslands, having endured hardships and fighting all along the way. By the time they reached northern Shaanxi they had dwindled to just a few thousand. And the forces which remained in the Central Soviet Area also suffered great hardships. In the end there were very few people left in the ranks led by Comrades Chen Yi and Xiang Ying. From this one can see how, under the leadership of Chairman Mao, we created and enlarged the Soviet Area, and how, without his leadership, the revolution suffered great losses.

Saving the Revolution in Crisis

The Long March began in October 1934. The Red Army suffered heavy losses during battles in Guangxi. Chairman Mao began proposing to some Central Committee comrades that problems in connection with the Party's leadership and military principles should be brought up for consideration. At an enlarged meeting of the Political Bureau of the Party Central Committee held in January 1935 in Zunyi, Guizhou Province, the leading body of the Central Committee was reorganized and Chairman Mao's leading position in the Central Committee was established. But Comrade Zhang Wentian (known as Luo Fu) held the post of General Secretary. Moreover, the meeting only criticized the erroneous military line, but not the wrong political line. At that time I felt this was not enough, but six months later when I saw that what had been done at the Zunyi Meeting was beneficial to unity, I realized I was wrong. At the meeting, only Comrade Bo Gu was relieved of his post as General Secretary, and Braun of his command over the Red Army. The other comrades in the Political Bureau retained their leading positions; even Comrade Bo Gu himself remained in the bureau. In the subsequent struggle against Zhang Guotao I acquired a deeper understanding of the correctness of Chairman Mao's policy-decision. If questions concerning political line had been raised at the Zunyi Meeting, more comrades would have been subjected to criticism and this would have been disadvantageous to the revolutionary

cause. Moreover, since the Red Army was in a precarious situation the military struggle was the key problem, having a direct bearing on the fate of the revolution. Chairman Mao's decision enabled the Party to concentrate on military affairs and promote unity within its ranks. This was why the Political Bureau was able to unite in the struggle against the warlordism, flightism and splittism of Zhang Guotao.

That struggle was also a matter of life and death for the Chinese revolution. When the First and Fourth Front Armies met at Maogong in northwest Sichuan Province, the Fourth Front Army under Zhang had more than 80,000 men. Relying on his numerical and military superiority, Zhang Guotao tried in vain to force the Central Committee to adopt his line. He even attempted to murder Chairman Mao, Comrades Zhang Wentian, Zhou Enlai and other leaders. Had it not been for Chairman Mao who waged a firm struggle against Zhang Guotao's flightism and resolutely led the First and Third Front Armies northward into northern Shaanxi, instead of following Zhang Guotao's route to Xikang (the present western Sichuan and eastern Tibet), the Red Army would have been wiped out.

The successful, peaceful settlement of the Xian Incident* by the end of 1936 laid a foundation for the formation of the second national united front between the Communist Party and the Kuomintang, a front for resistance against the Japanese aggressors. This was a very wise policy-decision of historical significance made by the Party Central Committee led by Chairman Mao.

The Party Central Committee and the Communist International held divergent views on the question of the national united front with the Kuomintang during the War of Resistance Against Japan. The Communist International insisted that we "do everything through the united front" and "submit to the united front in everything." Chairman Mao was opposed to this. But he didn't criticize the Communist In-

ternational; instead he criticized Wang Ming. This maintained solidarity with the Communist International and at the same time upheld our Party's policy of independence and initiative within the united front. During this time, Chairman Mao also adopted a series of policies on how to carry out independent guerrilla warfare, how to send troops into areas behind the enemy lines, and how to build anti-Japanese bases. Under the guidance of Chairman Mao's correct line, our Party and army grew in strength and numbers. In 1941, Xiang Ying and other comrades who had refused to follow Chairman Mao's directive to go behind the enemy lines were urged by the Party Central Committee to move northward across the Changjiang River to fight the Japanese aggressors. But they arbitrarily changed the prescribed route, thereby incurring tragic losses in an ambush during the Southern Anhui Incident.** Comrade Chen Yi, on the other hand, followed Chairman Mao's directive and led part of the New Fourth Army eastward into the enemy-occupied area south of the Changjiang River in April and May 1938. His troops then crossed the river and marched north. They were greatly expanded.

After the War of Resistance Against Japan, Stalin advised our Party to incorporate our troops into the national defence army and join in a coalition government with the Kuomintang in exchange for a "legal" status of the Party. Chairman Mao did go to hold talks with the Kuomintang in Chongqing, but he persevered in the policy of giving tit for tat and not handing over even a single rifle. Between 1946 and 1949, Chairman Mao led the War of Liberation with correct strategy and tactics. He personally directed all the major decisive battles. In less than four years, 8 million Kuomintang troops were wiped out. The mainland was liberated and the People's Republic of China founded.

In the early days after liberation, our Party under the leadership of Chairman Mao made decisions concerning the land reform movement, the campaign to resist U.S. aggression and aid

* On December 12, 1936, KMT high-ranking generals Zhang Xueiang and Yang Hucheng forcibly held Chiang Kai-shek in custody in Xian after they failed to persuade Chiang into stopping civil war with the Communist Party to fight a joint struggle against Japanese invaders. In their statement to the whole nation they put forward eight proposals for the struggle. The C.P.C. Central Committee sent Zhou Enlai and Ye Jianying to Xian to do mediation work. Chiang was thus made to accept the above-mentioned conditions. The incident was thus peacefully settled.

** On January 4, 1941, the New Fourth Army led by the Communist Party left its position south of the Changjiang River as ordered, and moved north. Upon secret orders from Chiang Kai-shek some 70,000 KMT troops trapped them in the Maolin district of southern Anhui on January 7. The New Fourth Army men fought valiantly for seven days and nights until they ran out of ammunition and food. Commander Ye Ting was captured and Deputy Commander Xiang Ying killed. With this, the KMT unleashed its second anti-Communist upsurge.

Korea, the socialist transformation of agriculture, handicrafts and capitalist industry and commerce as well as socialist revolution and construction. Facts have proved that these decisions were correct and wise.

Chairman Mao made many more contributions to the Chinese revolution than those I have listed. I just want to show historically that, as Comrade Deng Xiaoping said, "Without Chairman Mao we Chinese people at the very least would have had to grope in the dark for a much longer time," and that this is not rhetoric but a fair and scientific historical judgment. In saying this, we are not lauding Chairman Mao to the skies as a saviour or writing off the merits and contributions to the Chinese revolution of other comrades. Chairman Mao, as the chief founder of our Party and state, saved the revolution in a crisis on many occasions. No one in the Party can match him in this.

Correct Assessment of Chairman Mao

Chairman Mao had shortcomings and committed mistakes in his later years, some of them very serious. It is necessary for our Party to correct these mistakes and sum up the experience gained since the founding of our national political power. But we should adopt a proper attitude.

I hold that Chairman Mao committed two main mistakes in his later years: Firstly, after the establishment of the socialist political power and the completion of the socialist transformation of the means of production, he failed to make a timely and clear-cut decision to shift the focus of the work on to socialist construction. Moreover, he committed the mistake of

rashness characterized by seeking unrealistically big, quick results in guiding the socialist revolution and construction. Secondly, he confused the two types of contradictions which differ in nature. As a result, many contradictions among the people were dealt with as contradictions with the enemy, thus expanding the class struggle and carrying it to the extreme. This was exploited by the bad elements which led to disastrous consequences during the 10 years of the "cultural revolution." Of course there may be other mistakes, but I think they derive from these two.

If we attribute all the mistakes committed by our Party since 1949 to Chairman Mao and blame him alone, it is incompatible with historical facts. Comrade Deng Xiaoping put it well when he explained that veteran comrades, he himself included, are also responsible for many mistakes. Take the struggle against the Rightists in 1957. The movement was necessary, but it went too far and many people were wrongly branded as Rightists. It was not Chairman Mao alone who should bear the blame for these mistakes. I was a Member of the Secretariat of the Party Central Committee then. I agreed when it approved branding some people as Rightists at discussion meetings without careful consideration. How can I blame Chairman Mao for my mistake? During the big leap forward in 1958, many comrades with an unrealistic approach to things were also responsible for exaggerating facts and figures beyond belief and enlarging the scope of the error. As for the Central Committee itself, it should bear the blame for any erroneous resolutions it approved at its plenary meetings. Of course, as Party Chairman, Chairman Mao should shoulder the leading responsibility. Now the Chairman has passed away; the revolutionary cause must be carried on by us, the living. Summing up experiences and lessons on our own part will help us work better for the people.

There are many reasons for the mistakes of Chairman Mao's later years, including both deep-rooted historical and social ones. To build socialism without experience in a poor, backward and populous country like ours is really a hard undertaking. Even today, we still face many unfamiliar problems that have not been clearly known and are being

Chairman Mao giving a report at the Lu Xun Academy of Arts in Yanan (May 1938).



explored by us, so we are bound to commit mistakes of one kind or another. Here I would like to mention briefly Chairman Mao's mistakes in terms of the personal causes, and the attitude we should adopt. In his later years, Chairman Mao became less prudent and less democratic and had less contact with actual conditions and the masses — all this led to mistakes and the whole Party should draw lessons from this.

Chairman Mao had exerted great efforts for the people's cause. Ever since the Great Revolution failed in 1927, he had been so involved in revolutionary work that he often pondered over questions without sleep for days. In 1958 when I had some contact with him I found that he was overwrought. People tend to make mistakes and lack a sense of proportion when they are mentally fatigued. Chairman Mao had high goals even when he was advanced in years, wishing to do, within a few years or dozens of years, things which need hundreds of years to accomplish, and this led to troubles in the end. Though these troubles brought about misfortunes and wounds to the Party and the people yet, in respect to his intentions, he really meant to do what would benefit the people and promote the advance of the revolutionary cause. And he had devoted his whole life to this ideal of his. Chairman Mao's mistakes are mistakes made by a great revolutionary. Out of this consideration we should, during the present course of correcting his mistakes and summing up experiences, understand and forgive him with both love and respect.

In appraising Chairman Mao, some people went to extremes and some even claimed that he was devoid of any merit. This is not right. Opinions like this not only fly in the face of reality but are also detrimental to the Party and the people. For years, Chairman Mao has been known to the world as the leader of our Party and country and the symbol of the Chinese revolution — this tallies with the fact. To defame and distort him will only end in defaming and distorting our Party and our socialist motherland, and this will harm the basic interests of the Party, the state and the 1,000 million Chinese people.

Only Marxism-Leninism-Mao Zedong Thought Can Save China

Chairman Mao left with us both precious treasure and some negative factors. The latter, which only plays a temporary role, can be overcome through our work and are now being surmounted effectively. The most precious treasure he left, Mao Zedong Thought, however,

will guide our actions for a long time to come. Now there are some people who want to abandon the banner of Mao Zedong Thought and there are some who even criticize the correct ideas and statements of Chairman Mao. This will lead China along a dangerous path, bring a great loss to us and court disaster.

Some people are criticizing Chairman Mao's *Talks at the Yanan Forum on Literature and Art*. The basic idea of these talks is that literature and art should serve the workers, peasants and soldiers and should play the role of uniting with and educating the people. In essence, it identifies with what we advocate today — that literature and art must serve the people and socialism. Why should the two be set against one another? Without workers, peasants and soldiers where are the people? How can literature and art serve socialism if it cannot play the role of uniting with and educating the people? Over the last few years, a great number of good works have appeared in the literature and art circles which have played a positive role in the revolutionary cause. But there are a few who, under the cover of emancipation of the mind, attempt to negate the principles for literature and art laid down by Chairman Mao.

Mao Zedong Thought is not something which appeared fortuitously, but the product of dozens of years of revolutionary struggle waged by hundreds of millions of people. In Chinese history, the thought of Confucius once dominated for 2,000 years. But now, 60 years after China's democratic revolution, it has already lost its dominant role. China had another thought, the thought of Sun Yat-sen. Sun Yat-sen was a great pioneer of China's democratic revolution, and the Three People's Principles — nationalism, democracy and people's livelihood — which he put forward played an active part in the Chinese democratic revolution. Many people of the older generation, including myself, believed in the Three People's Principles in our youth. But they cannot be compared with Marxism-Leninism-Mao Zedong Thought.

Contemporary Chinese history proves that only Marxism-Leninism-Mao Zedong Thought can save China. Since the Chinese Communist Party was founded, we Chinese Communists, under the banner of Marxism-Leninism, have called upon, united with and organized the Chinese people to wage struggles. In line with the fundamental principles of Marxism-Leninism, Chairman Mao led the Chinese revolution

and summed up its experience and contributed a series of writings. Mao Zedong Thought, formed in the midst of the Chinese revolutionary struggle, has become the spiritual weapon of the Chinese Communists and of people throughout the nation. Mao Zedong Thought is a precious treasure created by millions of Communists and hundreds of millions of people with their blood and sweat. We feel it as very close to us and eminently practicable.



Chairman Mao visiting the Nanjing Radio Plant in 1956.

We need an ideological weapon to guide a large Party like ours as well as our big nation with its population of 1,000 million. Some people attempt to throw away this precious treasure of ours. Do they want to go back to Confucius and the Three People's Principles? History has already proved they are outdated and impracticable. If Confucius and the Three People's Principles won't do, what about the methods practised in the Western capitalist countries? In my opinion, they will not work either. Definitely I am not a preacher of closed-door policies. We should learn from the advanced things of other countries, such as science, technology and scientific business management. But as regards the social sciences, we should not copy those of capitalism. Bourgeois ideology only serves capitalist private ownership and will not serve our socialist public ownership.

Some comrades argue that it is quite enough only to mention Marxism-Leninism. But they overlook this fact: Mao Zedong Thought is the product of the fundamental principles of Marxism-Leninism integrated with the concrete practice of the Chinese revolution. It is Marxism-Leninism developed in the practice of the Chinese revolution and with distinctive content and Chinese characteristics. We Chinese Communists have made great contributions to the people under the banner of Marxism-Leninism-Mao Zedong Thought and have cultivated our own Party style. Today we must still rely on Mao Zedong Thought to unite the people, to overcome difficulties and to strive wholeheartedly for the realization of the four modernizations.

The fundamental principles of Mao Zedong Thought are the guiding thought of our Party and country. This has been affirmed again and again by the Party Central Committee and has been included in the Constitution

of the Communist Party of China and the Guiding Principles for Inner-Party Political Life. Any action that negates and vilifies Mao Zedong Thought is one that violates the Constitution and the discipline of the Party. Veteran Communists like us and all Communists who sincerely struggle for the cause of the people should, for the sake of safeguarding the fundamental interests of the Party and the people, fight against all attempts to vilify Mao Zedong Thought and distort Chairman Mao's image.

Today, in many countries in the world, there is a growing cynicism with many young people finding no way out ideologically and no spiritual sustenance. In our prolonged struggle, we Chinese Communists have established our own noble ideals and beliefs, on the basis of which we have united with and educated the people. We should never destroy our beliefs. I do not mean to say that every word of Chairman Mao's is correct. Some things he said are mistaken or outdated. But the essence and the fundamental principles of Mao Zedong Thought will always be the spiritual weapon for the Chinese Communists and the revolutionary people, and will guide us to advance the revolution continually. As a scientific system, Mao Zedong Thought must undergo a process of continuous enrichment and development. We should not be over-critical of our predecessors; their faults can only be mended by later generations through their practice in struggle. Only with this approach can Mao Zedong Thought be enriched and developed continuously and a new chapter be written under this brilliant banner. □

Western Economy in the 1980s

by Huan Xiang

An International Symposium on World Economy was held at the end of March in Hangzhou. Huan Xiang, Vice-President of the Chinese Academy of Social Sciences and a consultant to the Chinese Association of World Economy, delivered an important speech, the first part of which is provided below. The second part will appear in our next issue. In it, Huan Xiang notes: In the 1980s Western economy will be directly affected by a series of economic and political factors, the readjustment of the economic policies of various countries in the West and the eventuality of another big leap in world oil prices. The picture is sombre. For most of the countries of the Western world the 1980s will continue to be a decade of economic instability and difficulties.

— Ed.

THE Western economies, beset by a new period of difficulties, have now reached a crucial turning point, with major Western countries busy coping with serious economic problems since the first year of the 1980s. In early 1980, economic crises broke out in the United States and Great Britain, followed by marked deterioration of economic conditions in the other major West European countries and in Japan as well. Sagging investment, reduced production, galloping inflation and soaring prices, increased unemployment, turbulent foreign exchange and gold markets, the energy crisis, the worsening of international balance of payments and the further rise in protectionism — all these have confronted the Western countries with the threat of a new world economic crisis. Though almost three months of 1981 have passed, North America, Western Europe and Japan, unable as yet to pull themselves completely out of the shadow of this threat, are still beleaguered by price hikes and high unemployment and interest rates, as well as a slowdown in economic activities. The outlook according to certain renowned international economic organizations and publications is one

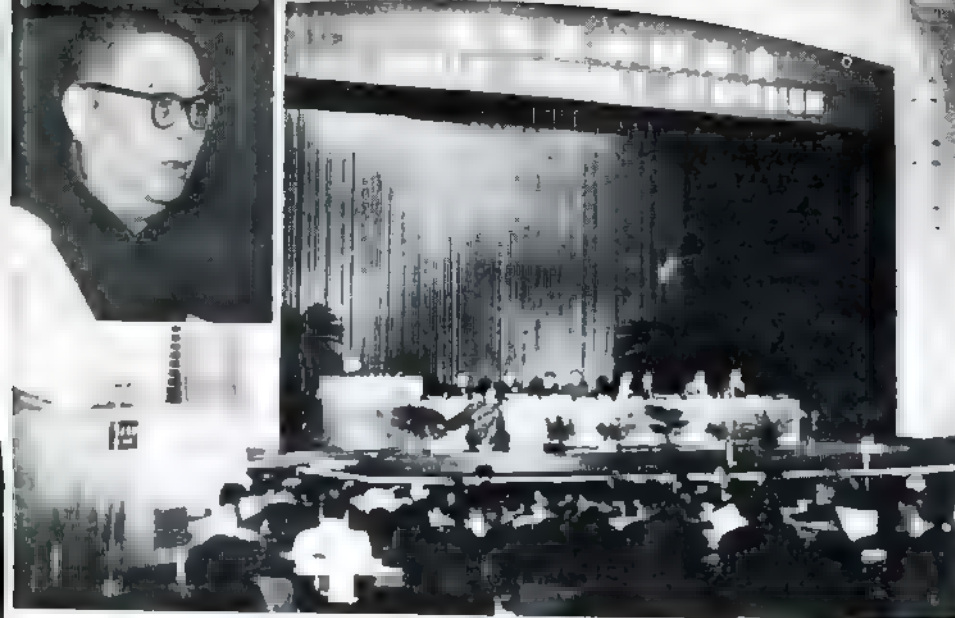
of unmitigated gloom. They all consider that 1981 will continue to be a year of economic stagnation.

The present Western economic situation is a result of the economic policies and economic development of the major capitalist countries since World War II, especially in the last decade or so. Therefore, in studying the prospects for the Western economies in the 1980s, not only should their present situation be surveyed but their past development should be given due attention as well. It is understandable that many scholars in analysing the characteristics of the economic development of the West in the 70s often drew comparisons from the 50s and 60s. This is because the 50s and 60s were a postwar period in which the economies of the capitalist countries underwent fairly rapid growth, whereas since the 70s, the Western economies have been going through a period in which the "stagflation sickness" is becoming demonstrably apparent and serious. The dividing line between these two periods is very clear. For the major Western capitalist countries, the 70s was a turning point in their postwar economic development. It marked the end of their period of rapid economic growth — which was helped by, among other things, a scientific and technological revolution — and the beginning of a period of slow growth and economic instability.

New Phenomena in the Development of Western Economies Since the 70s

Since the 70s, especially since the 1974-75 economic crisis which was the deepest and most serious in the postwar period, there have emerged a series of new phenomena in the development of the Western economies. The most noteworthy are the following:

(1) **Economic stagnation and slow growth.** In the 50s and 60s, the end of a cyclical economic crisis was generally followed in the Western



Huan Xiang speaking to the symposium on world economy.

countries by a period of fast fixed capital depreciation and economic growth. Yet, after the 1974-75 crisis, the economic development of the capitalist countries presented us with a different picture, characterized specifically by sagging productive investment, sluggish economic recovery and a sharp drop in the growth rate. According to the data published by the International Monetary Fund, the 24 O.E.C.D. member states' average annual increase in gross domestic product and industrial production between 1961-73 was 5 per cent and 5.6 per cent respectively; whereas between 1974-79 it dropped to 2.7 per cent and 2.2 per cent respectively. Even in Japan which has the fastest economic growth rate in the capitalist world, the growth rate in the 70s dropped to just about one half that of the 60s. In 1980, the GNP and industrial production of the United States and Great Britain decreased in absolute terms, with the West German economy experiencing zero growth. The growth rate of other major Western countries also dropped markedly. In 1981, the British economy will continue to be one of negative growth; West Germany is likely to witness zero growth again or even negative growth; the U.S. and French economies may achieve some marginal growth, whereas the Japanese economic growth rate may come down to below 3-4 per cent. The main cause for the plummeting of the economic growth rates in the capitalist countries during the 70s was the low level of fixed capital investment. During the 60s the average annual growth rate in fixed capital investment in the United States was 6.2 per cent whereas in the first eight years of the 70s it only grew by 1.6 per cent. This growth

rate was also very low in the other major Western countries. It was not until 1978 that the U.S. private fixed capital investment exceeded the highest point before the crisis, with that of West Germany nearing its highest point of investment before the crisis, and Japan and the other major West European countries not reaching theirs. The sluggish increase in fixed capital led to the slow growth of the Western economies after the end of the crisis

and prevented them from experiencing a real boom. In 1980, with the rapid deterioration of the economic situation, the fixed capital investment rate went down in absolute terms in the United States and Great Britain and also decreased by a big margin in Japan, West Germany, France, Italy and Canada. It appears that there will be no significant improvement in this regard in 1981.

(2) **Aggravation of inflation and soaring of prices.** During the 30 years or more after World War II, the Western countries widely adopted Keynesianism, which called for the expansion of government expenditure and deficit financing to stimulate social demand and promote economic growth. When it came to the 70s, the bitter fruits of deficit financing practised for so long were borne out clearly. For the purpose of decreasing financial deficits the amount of currency issued far exceeded what was required by its normal circulation, thus resulting in inflation of ever-increasing severity. Inflation combined with other factors led to a general, rapid rise in prices. The average annual increase in consumer prices in the United States, Japan, West Germany, France, Britain, Italy and Canada during the 60s were 2.8 per cent, 5.9 per cent, 2.6 per cent, 4.1 per cent, 4.1 per cent, 4.0 per cent, and 2.7 per cent respectively, whereas in 1979, they were 13.3 per cent, 3.6 per cent, 4.1 per cent, 10.5 per cent, 15.8 per cent, 15.7 per cent, and 9.2 per cent respectively. Consumer prices averaged an increase of 9.4 per cent in these seven major capitalist countries during 1979, far higher than the average annual rate of increase during the 60s. In 1980, it exceeded an average

increase of 10 per cent in these countries. At present, except in West Germany and Japan, the rate of increase in consumer prices for the other five countries is all in double digits. Inflation and the extensive rise in consumer prices have increased instability in the economic development of the Western countries. They have been thrown into a dilemma: Should they adopt measures to stimulate domestic demand and thus aggravate inflation, or adopt restrictive policies to control inflation and thus lower the economic growth rate, making it more difficult to extricate themselves from the present recession? Judging from the present situation, the Western countries are still generally pursuing restrictive policies to control the money supply and increase the interest rate, considering the control of inflation and consumer price rises as their major tasks. It is foreseeable that before 1985, inflation in the Western countries may ease off by a small margin compared with the present, whereas the rate of increase in consumer prices will continue to be kept at a very high level.

(3) Constriction of the labour market and increase in unemployment rate. The existence of large contingents of unemployed workers and high unemployment rates were other phenomena that could be commonly observed in the economies of the Western countries during the 70s. Generally speaking unemployment rates in the major capitalist countries during the 70s were much higher than during the 60s. In the first half of the 60s the unemployment rate of the various E.E.C. countries averaged 1.5 per cent of their work force and generally rose after the beginning of the 70s. In 1979, the average unemployment rate in these countries rose to 5.6 per cent with the number of people unemployed exceeding 6 million. In 1980, the number of people out of jobs came close to 7 million. Britain, with over 2 million jobless, had an unemployment rate of 8.7 per cent, France 6.9 per cent and Italy 7.5 per cent. The number of jobless people is also increasing rapidly in the United States whose annual unemployment rate was 5.8 per cent in 1979 and rose to 7.4 per cent in 1980. Since the beginning of this year, the contingent of unemployed has been continuing to grow in the E.E.C. countries; a record high of 8.5 million was reached in the month of January with the unemployment rate rising to 7.5 per cent; meanwhile, Britain's unemployment rate has exceeded 10 per cent — the

highest since the economic crisis of the 30s. It is estimated by some that the number of unemployed in the 24 member states of the O.E.C.D. will break the 25 million mark in 1981.

The most important causes for the high unemployment rate of the 70s and of the present in the major Western countries are sagging investment and economic stagnation. Business investment has mainly been used for the "rationalization" of production instead of for expanding production capacity. The "structural" crisis of the traditional industrial sectors like steel, coal and textiles is also an important factor conducive to aggravation of the unemployment problem in times of sluggish economic growth. The high unemployment rate has constituted a serious social problem in all the Western countries, which find themselves especially impotent in the face of serious unemployment coupled with rapid price rises, for to increase employment and lower the unemployment rate by means of expansionist economic policies will further aggravate inflation and push prices upward. The simultaneous existence of economic stagnation, a high rate of increase in prices and unemployment is the phenomenon that is termed "stagflation." The aggravation of "stagflation" in Western economies during the 70s greatly changed the usual pattern of capitalist business cycles and economic crises, causing the course of the new business cycle to take on characteristics which are different from those normally observed.

Firstly, as stated above, a marked characteristic of the new cycle which had the 1974-75 crisis as its starting point is that after the end of the crisis, the duration of recession and recovery was long and economic growth sluggish and slow, without undergoing real economic prosperity and boom at any point. Secondly, in the course of past classic business cycles, in times of economic crisis and stagnation, normally there would not be serious inflation or rising prices and these phenomena would only occur in the phase of economic recovery and especially in the phase of rapid economic expansion. Yet, in the course of the 1974-75 crisis as well as its phase of slow economic recovery thereafter, serious inflation and price rises existed all along. Thirdly, during the classic crises of overproduction of the past, what was commonly witnessed was an increase in the number of unemployed and falling prices, whereas after

the bottom of the crisis was reached, with the ensuing phase of recovery and expansion, prices would always rise and the number of people out of work diminish somewhat. It is noteworthy that the pattern of the new cycle of the 70s is already demonstrably different from that of preceding ones; in its different phases, price rises and a high unemployment rate are no longer mutually exclusive phenomena. On the contrary, they have become inseparable twins keeping each other close company in times of "stagflation." Since the 70s, it is under the combined circumstances of relative economic stagnation, high rates of increase in prices and unemployment, i.e., under conditions of "stagflation," that economic development has been carried out in the Western countries. The several kinds of phenomena mentioned above have conspired to form a vicious circle, checking and restricting one another, rendering the capitalist countries impotent and putting them in a multiple squeeze in their efforts to cure this "stagflation" syndrome. It is for its inability to cure the "stagflation" sickness that Keynesianism has been declared bankrupt.

At present, there is another phenomenon in the Western economies that merits attention. This is the phenomenon of the **intermingling, interaction and inter-penetration of different kinds of crises**, as reflected most clearly in the intermingling of crises of overproduction and the structural crises (energy, industrial and monetary structural crises, etc.). In addition, there is also the ecological crisis. The intermingling and interaction of these crises have further aggravated the economic difficulties of the Western countries. During the 70s, the

Western countries twice experienced the powerful shocks of oil price-hikes; the terms of trade and international balance of payments deteriorated greatly and the era of cheap energy ended once and for all. With respect to the industrial structure, with the development of certain newly emerging industries, the traditional industrial sectors like steel, coal and textiles have been termed the "sunset industries" and their deterioration has been accelerated. In the monetary field, the capitalist international monetary system with the U.S. dollar as its pillar and the fixed exchange rate its foundation has thoroughly disintegrated, yet its replacement by the floating rate system has not changed the increasingly unstable state of affairs in the capitalist monetary and financial markets.

Since the 70s, the uneven economic development of the capitalist countries has also become greatly exacerbated. The comparison in economic strength between the United States and Western Europe and Japan is further changing to the disadvantage of the former. The economic superiority of the United States in the capitalist world has greatly declined and its shares in the world's gross industrial product and exports have markedly diminished. Its share in the aggregate total of private overseas direct investments of the developed capitalist countries has also come down from above 50 per cent to below 50 per cent. At the beginning of the 70s, 30 of the 50 biggest industrial corporations in the capitalist world belonged to the United States and 15 to Western Europe. At the end of the 70s, the number of U.S. corporations stood at 22, that for Western Europe had increased to 20 and for Japan to six, with the corporations owned by Western Europe and Japan counted together exceeding the total number of U.S. corporations. The superiority of the U.S. transnational corporations as well as their competitiveness in the world market have also declined somewhat. In 1979, the combined GNP of the E.E.C. already overtook that of the United States. The changes in relative economic strength have intensified the rivalry for markets, resulting in the rapid rise of trade protectionism. At present, among the developed industrial countries, the contradiction between the United States, Western Europe and Japan stands out most clearly. In 1980, Japanese car production for the first time surpassed that of the United States, and Japanese car sales accounted for a quarter of the total number of cars sold on the U.S. domestic market. On the West German market, Japanese car sales took up 10 per cent of the total. The United States and Western Europe have both become the main markets for Japanese commodities. In the face of this situation, United States and West European appeals for restriction of Japanese imports are beginning to sound louder and shriller. At the same time, pressure is also being exerted on Japan for further opening up of its market and for increasing its imports from the U.S. and West Germany. The unevenness of capitalist economic development will continue to increase, presaging new changes in the relative economic strength of the capitalist countries.

(To be continued.)

Man Is Not Innately Selfish

FOR some time now, people have been saying that man is innately selfish. They even claim that selfishness is the motive force pushing mankind forward.

Can this be true? No. Selfishness, a social conception of man, is a product of human society at a certain historical stage. After men left the animal world, they lived in groups for a long time. They had no concept of "public," nor of "selfish"; they only knew that they had to rely on their collective strength in order to survive. This historical period accounts for 99 per cent of human history. With the development of the mode of production, there was a surplus in the products of labour, allowing for a social division of labour and the means of production to be privately owned. It was only at that time that selfishness emerged.

With the development of man's social relations, there were different concepts of selfishness. For instance, to a small peasant, it was represented by the common saying, "each one sweeps the snow from his own doorstep and does not bother about the frost on his neighbour's roof." For the landlord, it manifested itself in the saying, "one cannot get rich without exploiting the poor." In capitalist society, which is dominated by fierce competition, bourgeois selfishness is characterized by the worship of money and the freedom to exploit. The philosophy which guides the actions of capitalists is out-and-out egoism.

With the emergence of selfishness, however, there also

appeared many selfless people who were far-sighted and could clearly see the common interests of their respective countries, nationalities and classes. In both ancient and contemporary society, many people sacrificed their personal interests, including their lives, to safeguard collective interests and social progress. Thus, the claim that man is innately selfish flies in the face of historical reality.

In socialist China, we have always opposed selfishness ideologically and advocated selflessness and putting public interests ahead of personal interests. At the same time, our policies have recognized the existence of man's personal interests and the need to attend to such interests. To make a living and develop oneself physically and intellectually, man will inevitably have many personal interests. But some people publicly stated that advocating selflessness was theoretically unsound because man is inherently selfish. Others even said that selfishness is the motive force propelling human history forward. This has resulted in a great deal of confusion on the ideological front.

This happened because for many years, our social life was seriously influenced by "Leftist" thinking and personal interests were unwisely equated with selfishness. During the troublesome "cultural revolution" years, personal interests were negated in the name of fighting selfishness. It seemed that any one who said that personal interests should be properly cared for was selfish.

Now some people have gone to the other extreme, opposing the advocacy of selflessness. In doing so, they also have blurred the distinction between "personal interests" and "selfishness."

In China, people's personal interests are closely integrated with the overall interests of the state and society. One's personal interests cannot be satisfied without the betterment of the overall interests. Conversely, selfishness is to satisfy one's interests at the expense of other people's or the overall interests. Such actions violate the norms of socialist morality. We protect people's personal interests and oppose selfishness.

(Excerpts from "Beijing Ribao," January 9, 1981.)

A Warning to the Young

—From veteran actress
Wang Renmei

MY sorrow is closely connected with my becoming famous. I achieved fame at an early age. I was one of the "four best actors and actresses" in a song and dance ensemble at the age of 16. At 18, I earned a name for myself in the film *Wild Rose*. At the age of 20, I was called a movie star for my role in the film *The Fishermen's Story*. After that, I was swamped with praises and never worried about making a living. I became swell-headed and thought I was a really good actress. I stopped my rigorous training in the basic skills and did not work

hard to improve my artistic abilities. Complacency marked the start of regress.

After New China was founded in 1949, I was worried whenever the Stanilavsky system was mentioned and an actor or actress was asked to sum up his or her stage experiences. I found the saying "If one does not exert oneself in youth, one will regret it in old age," was really true.

I hope young actors and actresses will not lust for early fame. I also wish that the public would refrain from



Build-up for a let-down.
Cartoon by Gao Shidu

lavishing too much praise on those who have made some progress. It may be somewhat accidental for an actor to become famous, but maintaining one's artistic youthfulness needs painstaking and unswerving effort. Young actors should make full use of their young age to gain a good grasp of the basic skills, study hard and enrich their knowledge. They should learn as many skills as possible for serving the people.

(Excerpts from "Da Di"
[The Land], No. 1, 1981.)

IN a number of developed capitalist countries, some enterprises have tried to use robots in production to raise labour productivity. As a result, some people are now saying that robots can create value. Is this really so?

According to the Marxist labour theory of value and the theory of surplus value, robots and automatic hands are constant capital and cannot create value. In so far as they have value themselves and gradually transfer the value to products, proportionally to their average loss from wear and tear, they constitute an element of the value of their products but do not add any value to them. The only source of new value and surplus value is living and hired labour.

Regardless of changes in labour productivity, the amount of value created by the same kind of labour in a fixed period of time remains the same. Though the use value

may increase in the period, the value created by abstract labour will not go up. This is because the value of commodities is determined by the social necessary labour-time. We can never say that more value is created by the same

Can Robots Create Value?

kind of labour in the same period of time because labour productivity has increased and more products are turned out as a result of the use of robots and automatic hands, much less that robots and automatic hands create new value.

It is true that robots and automatic hands can replace man's physical labour, or even part of his mental work. But they can never replace man's labour as a whole. No matter how technically advanced the robots and automatic hands

are, they are still manufactured, operated, controlled, maintained and improved by man. Without man, they remain pieces of dead junk.

The only reason for capitalists to be so enthusiastic about technical renovations and automation, including the use of robots and automatic hands, is that they want to bring the value of their specific commodities below that of the market so as to get a super-profit. In fact, part or most of this profit are begotten from the profits created by workers in other enterprises.

Therefore, robots and automatic hands are materialized labour. They cannot create new value in the process of production.

(Excerpts from "Jiangxi Caijing Xueyuan Xuebao"
[Journal of Jiangxi College of Finance and Economics], No. 2, 1980.)

MUSIC

**Highlights of a
30-Year Career**

In 1948, Guo Lanying began her rise to fame as the leading role in *White-Haired Girl*. Last month, more than 30 years afterwards, China's leading opera soprano appeared on the Beijing stage for six performances of scenes from this and her other best-known performances. In all of her old roles, such as the 16-year-old Liberation War heroine Liu Hulan who sacrifices her life for her imperiled comrades, or the timid Xiaoqin who searches for love in defiance of the feudal tradition of parent-arranged marriages, the 51-year-old performer inspired and delighted audiences once again with the superb skill which made her famous years ago.

Guo Lanying's fresh, simple style, like Chinese modern opera itself, developed out of the country's rich tradition of folk music, dance and local opera, and shows little evidence of influence from the West. Born to a poor peasant family, she was sold to a local opera despot at the age of six and grew up singing the colourful songs and local operas of northern China. When she was 16, Guo ran away to join an opera troupe of the People's Liberation

Army, and brought with her the highly refined techniques of traditional opera. Soon after liberation, Guo Lanying came to Beijing with her troupe and earned a great reputation in the early 1950s for singing the revolutionary folk songs and operas popular in Shaanxi and other liberated areas during the War of Liberation.

Commenting on her leading role in the *White-Haired Girl*, written in the early 40s in the revolutionary centre of Yanan, Guo said that her performance was as much from instinct as acting. She had experienced much of the same suffering in her own childhood as the main character Xier, a poor peasant girl whose hair turns white under the insult and cruelty of landlord oppression. The role of Xier has been associated with Guo Lanying ever since.

Guo's artistic career has naturally had its troubles too. Some people feel that modern Chinese opera is too rustic and unrefined, and have suggested that Guo Lanying learn Western vocal techniques. During the "cultural revolution," the popular singer's contributions to modern Chinese opera were denied, and her artistic activities were greatly curtailed.

At her recent Beijing appearance, Guo Lanying performed

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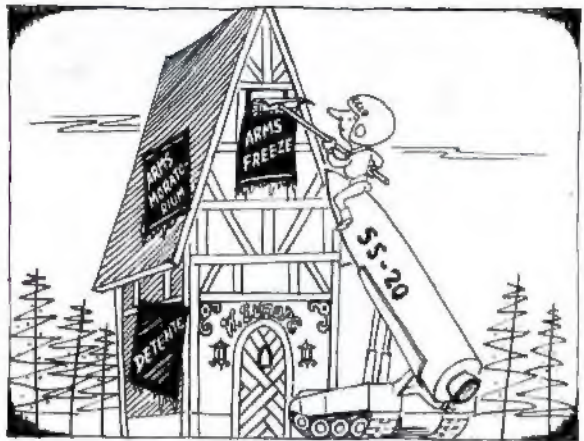


Guo Lanying in scenes from four famous modern operas.

scenes from four modern operas she helped make famous: *White-Haired Girl*, *Liu Hulan*, *Xiao Erhei Gets Married* and *The Injustice of Dou E*. The performances not only reaffirmed this talented artist's fine accomplishments over the years but also traced the growth and progress of modern Chinese opera itself.

Humour In China

Hegemonists as seen by
Chinese cartoonists



— Lan Jianan



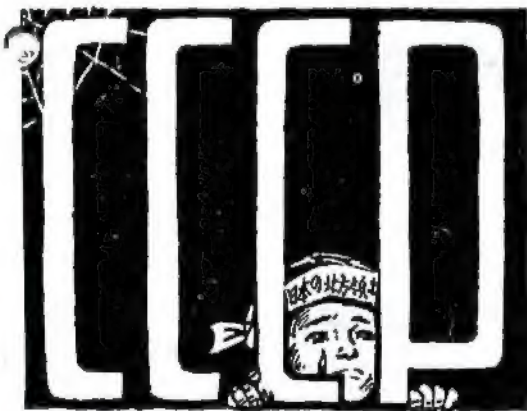
Bloodied Hand

— Fang Cheng



Prickly Problem

— Wang Yu



"Let me go..."

— Yu Huili

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